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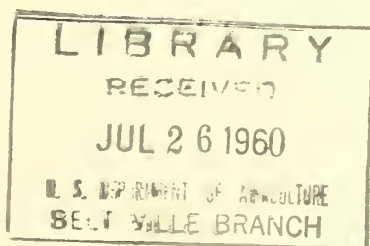


FOREIGN AGRICULTURE

May 1960



Unloading grain, Port of Rotterdam



The Netherlands Issue

Also, The World Pools Its Resources,

Fifteen Postwar Years in West Europe

UNITED STATES DEPARTMENT OF AGRICULTURE · FOREIGN AGRICULTURAL SERVICE

To report and interpret world agricultural developments

FOREIGN AGRICULTURE

Vol. XXIV · No. 5

May 1960

The Big Dutch Market

This issue is dedicated to our friends of the Netherlands, a genial people who live in a unique country.

Robert H. Reed, for many years editor of the farm magazine, *Country Gentleman*, and currently our agricultural attaché to the Netherlands, writes the first two articles: "The Netherlands: Little Country, Big Market," and "The Dutch Polders: Eighth Wonder of the World." In these articles we think he has succeeded in capturing the spirit of a brave and persistent people who have literally pushed back the sea and made themselves one of the great agricultural countries of the world.

Our cover is also a tribute to the Dutch people. Fifteen years ago, at the end of World War II the Port of Rotterdam was all but destroyed. Today, it is one of Europe's most modern ports, and ranks as the leading transshipment point in the world. Through this and other Dutch ports every year flows an enormous agricultural trade. Some \$250 million worth of farm products comes from the United States alone.

Though a small country—no larger than the State of Maryland—the Netherlands is important to U.S. farmers for several reasons. On a per capita basis it is the largest U.S. overseas market. Ninety-five percent of its agricultural imports are free of quota restrictions. The country is the biggest buyer of U.S. soybeans in Europe—over 15 million bushels last year. And in the first year that U.S. frozen poultry was sold in Holland, more than 2 million pounds were purchased.

In view of our past relationships, there is every reason to expect that this small country will continue to be a big market for U.S. farm commodities.

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Cover Photograph

Grain is unloaded in Rotterdam harbor onto the barges which carry it to its destination. Every year around 2 million tons of U.S. grains enter this port, the world's largest transshipment point.

Foreign Agriculture is published monthly by the Foreign Agricultural Service, U. S. Dept. of Agriculture, Wash. 25, D. C. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (Sept. 4, 1959). Yearly subscription rate is \$1.75, domestic, \$2.50, foreign; single copies are 15 cents. Orders should be sent to Supt. of Documents, Government Printing Office, Wash. 25, D. C.

THE NETHERLANDS:

Little Country, Big Market

By Robert H. Reed
U.S. Agricultural Attaché,
The Netherlands

A visitor once remarked, after a tour of the country, that Holland is 3 hours long, 2 hours wide, and if it weren't for the dunes and dikes it would be 6 feet deep.

It is quite true that the "low lands" (Netherlands), the "hollow land" (Holland), as the Romans once termed the area, is quite small as countries go, and it is also true that with almost half of the land area at or below sea level the greatest adversary of the nation and its agriculture is the persistent sea.

Small as it is in size and population, Holland is an important country in world agricultural trade, both as an importer and an exporter. It is one of the half-dozen best customers of the United States in farm commodities and, on a per capita basis, it is the largest U.S. overseas market. In a normal postwar year the Dutch buy around \$250 million worth from U.S. farmers. These are dollar sales. In turn, the Netherlands sells the United States around \$60 million worth of its agricultural products.

Dutch Agriculture. There are 233,000 farms in the Netherlands, and they average about 25 acres. Only 1 percent of the Dutch farms are 125 acres or over. With the water table in many places only a matter of inches below the surface, nature has decreed that the Dutch build a grassland-livestock agriculture, although certain sections are also efficient producers of grain, potatoes, sugar beets, flax, deciduous fruits, and of course, horticultural products.

Essentially, Dutch agriculture is a processing operation that requires enormous imports of feed grains for swine, dairy cattle, and poultry. The economic health of its agriculture lies in its worldwide exports of dairy, meat, and poultry products.

The Netherlands is traditionally one of the world's leading advocates of free trade. It has gone far in dismantling its former restrictions on agricultural trade, and its tariffs and import levies are comparatively low. However, as a member of the Common Market, the Netherlands in future policies will of necessity be influenced by the common measures adopted by that community.

U. S. Imports. Holland is the biggest buyer of U.S. soybeans in Europe—15,598,000 bushels in 1958-59. Sales of U.S. cotton to Dutch spinners reached as high as 260,000 bales in a single postwar year. In a wheat market that is highly competitive, U.S. exports to Holland have totaled more than 400,000 tons in a single year. (The entry of Russia into the wheat market of Europe in the past year changed the picture temporarily.) U.S. citrus fruits are featured in every fruit store in Holland, as are canned and dried fruits. Tobacco is fighting for a larger place in the picture, although price has been a limiting factor. U.S. frozen poultry is appearing in increasing quantities. At a recent self-service store food fair, one could count a hundred U.S. labels on packaged foods. And in addition to the imports of U.S. farm products into the

country itself, the free port of Rotterdam, the second largest port in the world, handles a vast tonnage in shipments.

Though a large market now, the Netherlands offers an even greater outlet for the farmers of the United States. It is the most densely populated country in Europe, and the population is increasing at the rate of over 100,000 a year, in spite of the emigration of thousands of families to other countries. And while new lands are being created by the polders (land reclaimed from the seas, rivers, and lakes), this is not a net gain for agriculture, since there is a growing need for land for homes, airfields, roads, and new or enlarged industrial sites.

Market Potential. The market development programs now in operation demonstrate the potential of the Dutch market and what may be expected for future commodity projects:

- The cooperative efforts of the Cotton Council International and the Nederlands Katoen Instituut have turned cotton from a summer to a year-round fabric. Both interest and markets are growing.

- The Great Plains Wheat Growers Office, in operation only a little over a year, has received warm cooperation from Dutch millers and bakers in the campaign to "put bread on every table, every meal, every day." The aim of the wheat office is to recapture and hold a fair portion of the Dutch market.

- The American Farm Bureau Trade Center, in Rotterdam, has proved most effective in bringing U.S.-Dutch buyers and sellers together and pointing out the many good buys in the American market.

- Veterinary restrictions kept the doors closed to poultry until 1958 but, when they were lifted, U.S. frozen chickens and turkeys began to appear on Dutch tables. In the first full year more than 2 million pounds of U.S. poultry were purchased by the Dutch. The appearance of freezer cabinets and the establishment of self-service stores are indications that this market will be increasing steadily.



Photos by KLM

The Dutch Polders: Eighth Wonder of the World

By Robert H. Reed
U.S. Agricultural Attaché,
The Netherlands

Throughout the 20 centuries of their recorded history the Dutch people have matched wits with the sea, always remembering the simple logic of one of their pioneer dikemasters that "water will not be compelled by any force or it will return that force onto you." Many times the sea has fought back, breaching dikes, destroying people and their homes, and laying waste large areas of fertile land that had been laboriously reclaimed. As recently as January of this year a protecting dike along the Amsterdam seaway was broken by a storm flood, and 11,000 people in a suburban area were driven from their homes by the inundation.

Yet the ocean's gains are only temporary, for during at least 8 centuries the water has been steadily pushed back and held in submission behind the 1,200-mile bastion of sand dunes, and great man-made sea dikes. And in a natural sequence, water has been pumped out of hundreds of lakes that were a part of the Netherlands at its geological birth. Tidal rivers have been diverted and diked, coaxed into

gentle curves, never "compelled by any force."

Almost 2 million acres of productive land have been created by the people themselves. The polder work of the Dutch, the program of "dredge, drain, and reclaim," is a monument to the tenacity of a stubborn people and it merits surely being called the Eighth Wonder of the World.

The accomplishments of the Dutch in reclaiming land from lake and seabeds will be more appreciated, perhaps, if the original problem is understood. Three great European rivers—the Rhine, Meuse, and the Schelde—whose sources are widely separated, meet, blend, and, through several channels, reach the sea within the Netherlands. Throughout the ages these torrents of water, breaking out of high ground into the coastal plain, dropped their silt, and from this silt grew hummocks and small islands that eventually became tree-covered and stable enough to become a home for the primitive people. The wind and the tides threw up dunes along the coast which gave a measure of protection to the islands that were forming. Earlier, the receding icecap had, of course, left deposits of clay and sand in some of the areas.

Before and after: Schokland, once an island in the Zuiderzee, is now an island in the sea of checkered farmlands.

In its early days the Netherlands was, in truth, a morass of mud and water and was once spoken of as "outcast of ocean, outcast of earth." Records indicate that the inhabitants struggled incessantly and with only crude tools to raise their land above the reach of water. It is estimated that the early people of Friesland, the Province that lies to the east of the Zuiderzee and against the North Sea, moved more than 100 million cubic yards of earth, carrying it in willow baskets and crude barrows, to raise their churches and their homes above the storm floods. The Frieslanders, whose very statutes declare that "Friesland shall be free as long as the wind blows out of the clouds and the world stands," built 1,260 of these mounds, and they are still in evidence, varying from 5 to 40 acres and rising as much as 30 feet above the storm floods.

Today the western half of the Netherlands, which includes the three largest cities, Amsterdam, Rotterdam, and The Hague, is in some places at sea level or below, and in others at best only a few feet above. The constant threat to the country is the North Sea. Strong winds from the northwest at times raise the sea level at

the coast as much as 10 feet, with tides added to that. These floods keep the Dutch in constant vigilance.

Vast Engineering Scheme. This eternal struggle against the sea, the diversion and control of river water, and the creation of polders are all a part of one great engineering scheme. These problems interpenetrate and can be solved only if taken as a whole. The first objective of this continuing process is, naturally, the protection of life. Second is the desalting of land where sea water infiltrates; third, the creation of new land for a population that already is the densest in Europe—823 persons per square mile; and fourth, the creation of a vast storage of fresh water.

To an American, poldering is an almost incredible process. "Polder" means reclaimed land, and creating a polder entails the building of an encircling dike around a body of water, draining the area, and developing the new land for farms, villages, and industrial uses. The picturesque Dutch windmills that still dot the landscape were used for pumping water from the polders, but have been almost entirely replaced by modern electric pumps. Protected from the sea water by the Golden Hoop—the system of dunes and dikes—the western provinces of the Netherlands are now a checkerboard of inner dikes, which form a secondary defense so that any breakout can be confined to a limited area.

There are about 2,800 polders in the country, some old, some new, some small, some large. Many of them are only a few acres; the largest run well over 100,000 acres. The most dramatic of all the polder work is the Zuiderzee; the boldest and most imaginative is, perhaps, the Delta Plan, now in its beginning stages.

Zuiderzee Program. The first step in the Zuiderzee program was the building of the enclosing dam, a tremendous task, for it again brought the Dutch into head-on conflict with the intransigent North Sea. Eighteen and a half miles of open sea, torn by tides, currents, and storms, had to be spanned. This dam was started in 1927 and the last gap was closed on May 28, 1932. On

this date the Zuiderzee ceased to exist, much to the sorrow of sentimental people who know this "southern" sea in song and story. It became in due time the Ysselmeer, a fresh-water lake, which itself is shrinking as the poldering work progresses.

The Wieringermeer Polder, adding 49,000 acres, was completed in 1930. The Northeastern Polder, completed in 1947 and adding 119,000 acres, is today one of the truly beautiful farming areas of the world. Eastern Flevoland Polder, totaling 133,000 acres, is barely dry at this time but in another year it will be farmed, prosperous and secure, although it will lie 14 feet below sea level. Diking has started on two more huge polders—Southern Flevoland (99,000 acres) and Markerwaard (149,000 acres).

Thus, the Zuiderzee, created by the great inundation in the 13th century, will in the end give back to its proper owners more than a half million acres. More than 5,000 new farms will come into being, most of them of the economically desirable 100 acres against an average for the country of 25.

The Dikes. Looking at the dikes in the Netherlands one naturally recalls the legend of the little Dutch boy who put his finger in the dike to prevent a trickle from becoming a breakthrough. Dutch people are charmed with the story, which they credit to Americans, and a few years ago they agreeably erected a statue to this mythical boy. Even the fact that the enclosing dike of the Zuiderzee is now 300 feet wide at water level and many of the inner dikes are wide enough on top for two-way highways does not diminish this legend, which represents the selfless devotion of all Dutch people to the fight against their old adversary.

To an American, dike-building seems a matter of 90 percent know-how and 10 percent materials taken from the sea. A trench is dredged in the sea bottom, removing the soft layer of ooze until a solid base of sand is reached. This gully is filled with pure sand, which forms the core of the dike. At the edges of the trench, clay banks are built up

(Continued on page 22)



When this Zuiderzee dike is completed it will be 56 miles long and will add 133,000 more acres to the Netherlands.



Picturesque Dutch windmills that still dot the landscape were originally used for pumping seawater from the polders.



The Dutch "Floriade"

Four hundred years ago the Flemish diplomat Rogier Ghislain de Busbeq left Turkey by stagecoach, traveled through the Balkans and the Brenner Pass and then proceeded to Holland by way of the Rhine Valley. With him were the first tulip bulbs to reach Europe from the Near East. A marvellous scarlet flower, this tulip marked the beginning of Holland's great flower industry, an event that is being celebrated this summer in Rotterdam with the world's largest international horticultural exhibit—the "Floriade."

Already thousands of visitors have attended this famous show which opened on March 25 and which will last until September 25. Sponsored by the century-old Royal Netherlands Bulb Cultivation Institute, it features gardens and plants from all over the world. There is the Garden of Clusius, a 16th-century Dutch botanist; a Biblical Garden, with many of the plants mentioned in the Old and New Testaments; royal gardens from Europe and the United Kingdom, and even a replica of Sir Winston Churchill's garden in Kent.

The United States is well represented, with exhibits ranging from an American suburban home and garden to a penthouse, a rose garden, a cactus display, and a garden shop.



Above, Princess Beatrix of the Netherlands tours the Floriade on its opening day and pauses to admire the spring flowers. Top, one of the gardens, still somewhat wintry, with exhibit's landmark, the Euromast, in the background.

Right, one of the highlights of the U.S. display is this brightly lighted transparency showing a U.S. garden in full summer dress.





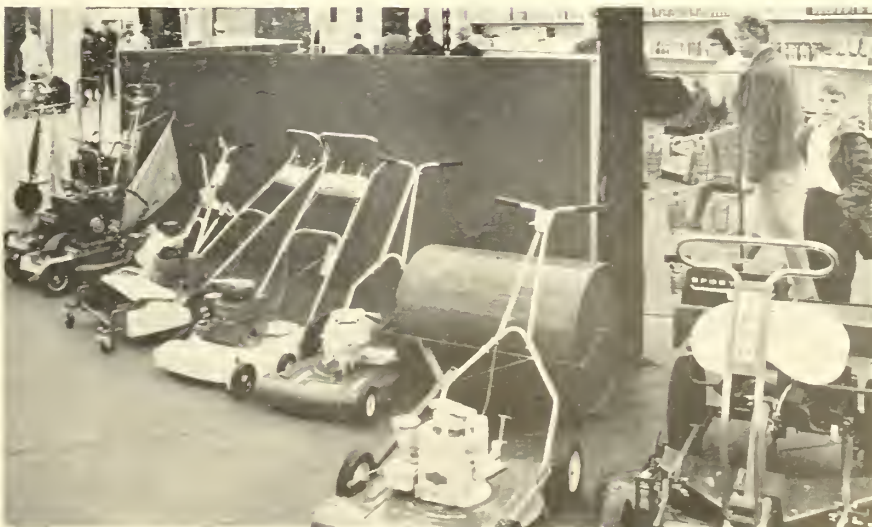
Courtesy Walter Dorwin Teague Associates

Focal point of the U.S. display is this typical modern home where a multi-lingual guide shows visitors how Americans live and what their gardens look like. Right, white-clad guides at entrance to pavilion.



Left, the Horticultural Society of New York shows how city dwellers keep gardens abloom on high, in its exhibit featuring flowers and shrubs against a skyscraper background of New York City.

Right, Europeans have been amazed at the efficiency of this U.S. self-service garden shop, where 40 U.S. firms have supplied everything from hose and garden shears to clothing and power motors.



Dispatch from France

Dr. Paul E. Minneman, for many years U.S. Agricultural Attaché in Paris, recently returned to his post after home leave. A first task was to summarize for Foreign Agriculture the trade gains that U.S. agriculture has made in the French market.

Under President de Gaulle, France has achieved both economic and government stability, quite in contrast to the situation that has characterized this country during most of the post-war years. France's financial position has so improved that last year it was able to pay off a \$200-million World Bank loan before the due date. Also, France has made its currency freely convertible.

Looking at French trade the picture is fairly optimistic too. Today France is definitely a better market for U.S. farm commodities. While some products may be imported only under license, many have been liberalized, e.g., freed of government control. Liberalization, of course, extends only to items handled by private trade; it does not include grains, oilseeds, vegetable oils, and tobacco.

But even under licensing the French have been realistic with respect to the real needs of the country. For example, last summer when there was a shortage of animal feedstuffs because of the drought, France issued import licenses for more soybeans. Some 75,000 metric tons were imported from the United States and 5,000 tons from Communist China—a considerable increase in U.S. shipments which in the preceding 3 years averaged 55,000 tons.

Pork livers will be fully liberalized this year and will add another chapter to U.S.-French trade. Yet despite licensing, pork liver imports from the United States have climbed steadily. In 1956 we were sending France 1,510 metric tons; last year, our shipments had mounted to 2,148 tons.

Beans are another good example. In the last 3 months of 1959, although licensing was still in effect, France bought 8,011 tons of beans from the United States, more than the combined shipments of all the postwar years. On January 1 of this year, imports of beans and lentils were liberalized, and larger quantities are now coming from the United States.

The removal of import licenses and quota restrictions by foreign governments is one of the principal objectives of those serving U.S. agriculture abroad; and in France we have been successful in that over 80 percent of the privately traded commodities from the dollar area have now been liberalized. Just how this is working out is illustrated by comparing the 1959 imports after liberalization with imports of the same commodities in 1958.

Under the licensing system in effect in 1958, the United States sold 400 tons of prunes to France, but after liberalization in 1959 this figure increased to 3,382 tons. In 1958 we sold only 9 tons of grapefruit and in 1959, 1,444 tons. We sold no lemons at all in 1958, then in 1959 shipped France 868 tons. Even more spectacular was the orange situation. In mid-1959 summer oranges were free of restrictions for the first time, and U.S. exports jumped from zero to 8,489 tons.

Apples were not admitted until this past February, but U.S. exporters began shipping in December and had well over 150,000 boxes either in bond at French ports or en route on the opening day. Under licensing in 1959 only about 30,000 boxes of U.S. apples entered France.

In the case of cotton, liberalization on January 1, 1959, worked the wrong way for us during the year—primarily because at that time the price of U.S. cotton was higher than that of cotton from other countries. When the French Government was able to specify the origin of the cotton to be imported, the spinners necessarily bought the allotted portion from the United States. But when cotton imports were liberalized, spinners could buy freely in world markets wherever cotton was the cheapest. However, since last fall the export price of U.S. cotton has been on a competitive basis, and the United States will probably sell some 450,000 bales

Germany Reports on Its Farm Situation

West Germany's "Green Report," the annual official account of the state of agriculture, indicates that farm income increased in 1958-59, and that the income gap between the farm population and the nonfarm population continued to lessen. This favorable development has not continued, however, during the current crop year. As a result of the drought in 1959, the surplus of farm receipts over farm expenditures, which reached the equivalent of \$1.1 billion in 1958-59, is expected to decline to about \$1 billion in 1959-60.

The "Green Plan," the government's farm assistance program for the coming fiscal year, provides \$340 million for direct farm support. This represents \$30 million more than the amount authorized under last year's plan. In reality, the increase is somewhat smaller, since the total expenditures foreseen under the Green Plan now include \$22 million for subsidies on interest and fuel taxes, which were originally listed under another budget heading. Subsidies for fertilizer purchases remained unchanged from last year's. Milk subsidies were cut from \$86 million to \$80 million; but these funds are likely to prove insufficient in view of rising milk production, and may therefore have to be increased in the course of the year. Larger funds were earmarked for the consolidation and relocation of farms.

to France this year compared to 220,000 bales in 1959.

Part of our recent success in selling to France came about because of the drought which cut down the production of some crops. Probably our increased exports of soybeans, beans, prunes, and fresh fruit resulted partly from drought. Still, there is this to be said: France is again getting better acquainted with U.S. agricultural products, and as long as we can continue shipping quality products, at a competitive price, we can expect a good market. But quality and price become increasingly important as more and more products are liberalized.

Fifteen Postwar Years In West Europe's Agriculture

May 1960 marks 15 years since the end of the Second World War. Western Europe's agriculture was in a depressed and disorganized state at that time; it has since seen considerable expansion, brought about by general economic recovery and development, by the promotion of productivity, and—last but not least—by agricultural protection.

The agriculture of Western Europe has always occupied an important place in the area's economy. Even in the highly industrialized countries, a large share of the national income has come from agricultural pursuits.

Mixed farming, with emphasis on livestock, is the characteristic feature. Livestock products are the chief source of farm income. Climate and soils are favorable for grasslands over most of the area, and forage crops cover a large part of the agricultural land.

Western Europe's farms are more often than not family farms, operated by their owners and worked mostly with the aid of the family. They are of fairly substantial size in the United Kingdom, Denmark, and France, but mostly small in the rest of the area. Large estates can still be found in Spain, Portugal, and Italy, but efforts at land reform—especially in Italy—have reduced the large landholding's role in farming.

Postwar Recovery. The importance of agriculture in Western Europe is enhanced not only by its political influence, which is deeply rooted in the historical evolution of European society, but also by considerations of social stability and national security. Developments during two great wars that brought much of the area to the brink of starvation only strengthened the belief that nations should try to produce substantial supplies of food and feed within their own boundaries.

This belief was further supported by postwar difficulties in the international exchange of goods and serv-

ices. For a time, all the countries of Western Europe suffered from severe shortages of international buying power; all tended to frame their national policies to utilize their own primary resources as completely as possible.

As general economic recovery progressed, this situation changed. Industrial recovery itself began to influence the further expansion of agriculture. Agricultural policy became more self-centered; its emphasis shifted from the "national virtue of saving foreign exchange" to the goal of higher incomes for farmers or of income parity for agriculture.

Growth of Productivity. The amazing postwar expansion of West European industry and trade, the growth of population and per capita income, and the improvement in general levels of living have encouraged agricultural productivity in many ways. Demand for larger quantities and better qualities of farm products has been a powerful force. Industrial expansion and the rise in industrial productivity and wages have progressively reduced the size and increased the cost of the labor force available to agriculture. This fact has stimulated farmers to mechanize their operations and to improve their management efficiency in general. And industry's growth has provided them with the tools for this progress.

Total farm output, which had dropped about 20 percent below the prewar average during or immediately after the war, made a rapid recovery in the late 1940's, and since then has continued to increase, if at a slower rate. It rose by about one-fourth between 1947-48 and 1950-51, by a further 12 percent in the following 3 years, and by 3 and 4 percent in the next two 3-year periods (to 1959-60).

The period of postwar recovery—roughly, to 1950—thus saw an increase in farm output of about 8 percent a year; the postrecovery increase amounted to about 2 percent a year.

The labor force has continued to decline; acreages, on the whole, are below prewar; and imports of feedstuffs, measured against livestock output, are considerably smaller than in prewar days. These developments indicate a decisive rise in production per acre, per animal, and per man. True, increasing mechanization and other improvements have meant a larger input of capital; but only a modest part of the postrecovery gain can be attributed to larger net inputs (more capital, but less labor), leaving a sizable net productivity increase that is due to better technology and management.

Changes in yield per acre are of particular interest in an area like Western Europe, where output per unit of land—at least until recently—has been considered a more important yardstick than output per unit of labor. Grain yields per acre are high. For the area as a whole, rye now averages about 32 bushels, wheat 30, barley nearly 45, and oats 53. Compared with 1935-39 yields, barley shows the greatest improvement, with an average increase of about 46 percent; corn increased by nearly 44 percent; wheat by 40, rye by 32, and oats by 15. In favorable years, wheat yields in the Netherlands and Denmark have averaged as high as 60 bushels per acre.

Increases in output of livestock products per animal unit are harder to achieve than increases in crop production per land unit. Nevertheless, milk yields per cow, which average about 6,000 pounds annually for the area, are now perhaps 12 percent higher than before the war, and in West Germany and the United Kingdom, for instance, they are about 20 percent higher. Egg output per hen has also shown an increase, but one which cannot easily be measured owing to inadequacies in poultry and egg statistics.

Total farm production in Western Europe now stands about 30 percent above prewar—an increase of 12 percent per capita for the total population. All these indicated gains in output, in net productivity, and in total productivity accord very well with the available indices of higher inputs. For example, by 1960 trac-

tors in Western Europe numbered 12 times as many as before the war, and input of fertilizer was over twice as high. Output gains also accord with examples of progress by advanced farmers. In Denmark, the share of agricultural land under mechanized management increased from one-third in 1950 to over three-fourths now; in Great Britain—also a country of relatively large farms—total farm draft power increased by almost 60 percent from 1948 to 1954; in West Germany—a country of small to medium-size farms—the share of mechanized draft power increased from 13 percent of all draft power in 1949 to almost 60 percent in 1957. In England and Wales and in Sweden, over 80 percent of all cows are being milked by machine; in Denmark, 90 percent. Other impressive examples of progress can be drawn from grassland management, plant and animal breeding, livestock feeding, and control of diseases and pests.

Protectionism. Along with general economic development, deliberate policies for agricultural expansion have helped intensify, or in some cases even create, the economic incentives for farmers to move ahead. Farm policies everywhere aim at increasing output or per capita income, or both.

In nearly all countries, import controls—high tariffs, equalization fees, or quantitative restrictions—have a considerable importance varying by commodity. Government trading and trade monopolies are still widespread, while assistance to exports through subsidies is now on a modest scale. Fixed or controlled prices for key products are a general feature in Europe; direct deficiency payments are important in the United Kingdom only. Producer subsidies, predominantly for small farms or those in poor locations, are applied in a number of countries, as are subsidies for such input items as fertilizer, machinery, and motor fuel. In some countries, consumer subsidies are given as an alternative to producer subsidies or to offset the effect of high farm prices. Research and extension services, farm credit facilities, and measures to promote the technical rationalization of farming range from

British Farmers Protest Reduction In 1960-61 Farm Price Guaranties

The outcome of Britain's recent annual farm price review is that the government decreed a reduction in the prices guaranteed British farmers for 1960-61. The National Farmers' Unions registered a protest, just as they did 2 years ago with a similar cut. Under existing law—the long-term assurances of the Agricultural Act of 1957—the largest cut permitted for 1960-61 would be \$53 million. The actual cut is \$25 million.

This cut will be achieved through decreases in the guaranteed prices for wheat, barley, oats, sugar beets, sheep, wool, hen eggs, and milk. For milk, however, an increase in the quantity to which the guaranty applies will partly offset the price cut. In the future, to encourage sales for liquid consumption, the quantity qualifying for the guaranty will move automatically up or down according to changes in sales of fluid milk. There will be no reductions in the prices of cattle, duck eggs, and rye; the price of potatoes and pigs will be increased, with the quality premium for bacon pigs additional to the general guaranty for all pigs.

In the White Paper giving the background for its decision, the government forecast net agricultural production for 1959-60 at a record level, some 5 percent above that of 1958-59, despite the drought of last sum-

mer. Cost increases—mainly for labor—are estimated at \$36 million. Nevertheless, the 1959-60 operator's net income is forecast at \$115 million above the \$882 million of 1958-59.

The government estimated that farm supports would cost the Exchequer \$725 million for 1959-60, some \$50 million more than the year before. Most of the increase is due to higher production grants, for articles like lime and fertilizer. What the Exchequer cost of the price guaranties will be for 1960-61 depends on the prices farmers can obtain.

In replying to criticism in the House of Commons, the Minister of Agriculture stated that the principal reasons for reducing the subsidies are their continued high cost to the Exchequer and their effect on trade relations, especially with the Commonwealth. As in other recent years, the government urges increased productivity rather than increased production, and more attention to the quality and standards the market demands.

The farmers resent the government's reference to what the guaranties cost the Exchequer. As the *Farmers Weekly* said: "The Government has chosen to protect our industry by subsidies rather than by tariffs. Is it, then, entitled to plead the cost of these subsidies as a reason for putting a brake on production?"

modest beginnings to well-developed undertakings, but everywhere policies aim to improve them.

Important U.S. Market. Western Europe has taken about half of total U.S. agricultural exports in recent years. In Europe, as in other foreign markets, demand for U.S. farm products is determined by total needs and by the competition that these products meet there. U.S. agriculture's most formidable competitors in Western Europe are not other overseas exporters but the West European farmers themselves. Although they produce little raw cotton, they do pro-

vide about four-fifths of the area's food requirements (in terms of calories) and a sizable share of its tobacco requirements.

The expansion in Europe's farm output, therefore, is of more than passing interest to U.S. farmers. To the extent that it is due to genuine increases in productivity, there can be little quarrel with it. However, to the extent that it is due to excessive protection, the United States will work to preserve a reasonable international division of labor, in the interest of a reasonable utilization of resources throughout the world.



Modern highways and bridges are breaking down the barriers that have isolated Ethiopia for so long. With new roads coffee exports have increased 75 percent.

Ethiopia: How the World Bank helps an underdeveloped country

Until the present generation, life in most of Ethiopia remained unchanged for centuries. Its people continued their primitive existence as nomads in the desert or farmers in the rugged highlands. And though the country's economy was, and still is, almost entirely agricultural—coffee, hides and skins, oilseeds, and grains are its main exports—its agriculture benefited little from modern technology.

Today this picture is changing. Through the World Bank, soon to be augmented by IDA (*see story on following page*), a new start has been made in putting the country's natural assets to work. In the 10 years since 1950 the Bank has loaned Ethiopia \$23.1 million. This has been spent primarily for highways and bridges to link the agricultural centers with the ports, for a telecommunications network, and for plants to process foods and fibers.

Building modern factories was not enough, workers had to be trained to operate them. Below, a spaghetti plant; right, a cotton textile mill in Addis Ababa.



With a \$1.5-million World Bank loan Ethiopia established a telecommunication network, operated from Addis Ababa.



Pastoral scene in the highlands. Next to coffee, livestock offers the greatest potential.





The Free World Pools Resources to spur economic growth of underdeveloped areas

By William F. Doering
International Monetary Branch
Foreign Agricultural Service

A new international lending agency is being formed; by next winter, it should be in business. Called the International Development Association (IDA), it will function as an affiliate of the World Bank. Its purpose will be to promote the economic growth of the less-developed countries, including dependent areas.

There are already some half-dozen U.S. and international lending agencies. Why is it necessary, or even desirable, to add another? The answer is that IDA will meet an unfilled need—overcoming the limitations on lending which a weak foreign exchange position imposes. When a country borrows abroad, it must set aside part of its future exchange earnings to pay the installments; the IDA is being specifically set up to help borrowers whose projects are sound but whose prospects for exchange earnings are too modest to warrant the additional debt burden.

Membership. The basic principle

of IDA is simple: the developed countries lend to the underdeveloped countries on terms the latter can afford. The mechanics for carrying out this principle equitably are an interesting departure in international finance. In brief, they are as follows:

(1) Member countries are divided into two groups, designated simply as "Part I" and "Part II" on the membership list. In effect, these groups are the "more developed" and "less developed" countries. There are 17 countries in the first group and 51 countries in the second.

(2) The "more developed" countries will pay their quotas entirely in gold or "hard" currencies; the ability of a country to make the entire amount of its subscription available on a "freely convertible basis" was a chief criterion for inclusion in the Part I list. These contributions will make up the bulk of the funds expected to be loaned and can, of course, be expended in any country.

(3) The "less developed" countries are required to pay only 10 percent of their quotas in gold or convertible currencies, the remainder being payable in their own national currencies. Thus most of such subscriptions can be utilized only by the contributors themselves, i.e., cannot be used to transfer real resources out of the country.

(4) Each member has voting rights, however, in proportion to its quota, without distinction as to the "hardness" of its payment. The two forms of membership, therefore, carry no implication of being first class or second class. Rather, the distinction is between lenders and borrowers.

Loan Terms. The distinctive feature of IDA's operations—in contrast to those of its parent organization—will be the flexibility and leniency of its loan terms. Loans by the World Bank are made at going rates of interest in the leading money markets and are repayable in the same cur-

rency as is borrowed. To date, most loans have been dollar loans; currently, the interest charge is around 6 percent. The Association's charter, on the other hand, will allow its Executive Board wide latitude in tailoring loan terms to specific situations: its only directive is that terms shall be "more flexible and bear less heavily on the balance of payments than those of conventional loans" (Article I). This can mean a number of things, separately or in combination—lower interest rates, complete waiver of interest charges, grace periods in the repayment schedule, longer maturities, or repayments partly or wholly in local currency.

In banking parlance, such loans are called "soft loans"—a term sometimes mistakenly taken to imply that either the purpose is unsound or the borrower is a poor risk. But there is little likelihood of imprudent management in IDA; it will be operated (as a separate legal entity) by the World Bank, whose high standards are widely recognized. Eugene Black, who as President of the Bank will also be President of IDA, made this amply clear at the 1959 Annual Meeting of the Bank's Governors: "Although IDA will make 'soft loans' in the sense that they will provide for repayment obligations which impose a much lighter burden on the borrowing country's balance of payments than do loans by the Bank, IDA will not be a 'soft lender.' The supply of development capital is too limited, the need for such capital too great, for any of it to be invested with less than full effectiveness—and this is so, whatever form the investment may take."

Resources. If all eligible countries (World Bank members) join IDA, the initial subscriptions will total \$1 billion, of which almost four-fifths will be in gold and convertible currencies. The United States, with a quota of \$320 million, will be the largest contributor and hence have the most votes. The United Kingdom will be next with \$131 million. Other large contributors will include France, Germany, Canada, Japan, and India. Quotas are to be paid in installments extending over a period of 5 years.

To the extent that IDA permits hard currency loans to be repaid in local currencies, its convertible resources will, of course, be diminished. Accordingly, the charter provides for a periodic review of resources and possible increases in quotas. In agreeing to this, the United States and the other members have acknowledged the probable need for replenishment but have not obligated themselves to further contributions. This has been made explicit in Article III(c) of the charter.

In addition to their regular subscriptions, members may also make supplementary contributions in the currency of another member. For instance, the United States could contribute part of the local currencies received from sales of agricultural commodities under Public Law 480, provided of course that the partner country agreed. This would provide an additional means of effectively utilizing agricultural surpluses to promote economic development.

Other Provisions. Of special interest among the other features of

the Association are the following:

- The contributions of the more developed countries are to be utilized on a *pro rata* basis. This will prevent the burden of assistance from being unduly placed on one country—for example, the United States.

- Grants are not authorized.

- Loans may be made not only to member governments but also to private entities and local or regional governmental bodies, including dependent overseas territories.

Conclusion. The IDA Articles of Agreement, as worked out by the Executive Directors of the World Bank, were submitted for ratification to the prospective member governments on January 29, 1960. The Articles will be open for signature until the end of this year.

Here at home, enabling legislation for U.S. membership is being considered for presentation to the present session of Congress and has the full support of the Executive Branch. If all of the eligible countries join—and there is a good chance that they will

(Continued on page 20)

IDA'S PROPOSED INITIAL MEMBERSHIP AND INITIAL SUBSCRIPTIONS

		Mil. U.S. dol. equivalent	
Part I:			
Australia		20.18	
Austria		5.04	
Belgium		22.70	
Canada		37.83	
Denmark		8.74	
Finland		3.83	
France		52.96	
Germany		52.96	
Italy		18.16	
Japan		33.59	
Luxembourg		1.01	
Netherlands		27.74	
Norway		6.72	
Sweden		10.09	
Union of South Africa		10.09	
United Kingdom		131.14	
United States		320.29	
Total		763.07	
Part II:			
Afghanistan		1.01	
Argentina		18.83	
Bolivia		1.06	
Brazil		18.83	
Burma		2.02	
Ceylon		3.03	
Chile		3.53	
China		30.26	
Colombia		3.53	
Costa Rica		.20	
Cuba		4.71	
Dominican Republic		.40	
Ecuador		.65	
El Salvador		.30	
Ethiopia		.50	
Ghana		2.36	
Greece		2.52	
Part II—Continued			
Guatemala		.40	
Haiti		.76	
Honduras		.30	
Iceland		.10	
India		40.35	
Indonesia		11.10	
Iran		4.54	
Iraq		.76	
Ireland		3.03	
Israel		1.68	
Jordan		.30	
Korea		1.26	
Lebanon		.45	
Libya		1.01	
Malaya		2.52	
Mexico		8.74	
Morocco		3.53	
Nicaragua		.30	
Pakistan		10.09	
Panama		.02	
Paraguay		.30	
Peru		1.77	
Philippines		5.04	
Saudi Arabia		3.70	
Spain		10.09	
Sudan		1.01	
Thailand		3.03	
Tunisia		1.51	
Turkey		5.80	
United Arab Republic		6.03	
Uruguay		1.06	
Venezuela		7.06	
Viet-Nam		1.51	
Yugoslavia		4.04	
Total		236.93	
Grand total		1,000.00	

Iraq Shifts From Exporter of Grains To Importer as Production Falls Off

Since Iraq's revolution in July 1958, agricultural production has dropped sharply, and nowhere has this been more apparent than in grains, which normally occupy 75 to 80 percent of the cultivated land. In 1957-58 the wheat crop totaled 1.1 million tons, but for 1959-60 it is down to 700,000. In the same period rice dropped from 147,000 tons to 94,000 and barley, from 1.3 million to 750,000.

Iraq, a country about two-thirds the size of Texas in the heart of the Middle East, has ample land and water to support its 6.8 million people. Nearly 16 million acres—approximately 14 percent of the total land—are arable, of which some 8 million acres are under crops each year. Another 15 million to 20 million acres are potentially productive.

The Tigris and Euphrates Rivers flow parallel to each other the entire length of the country, meeting only 120 miles from the Persian Gulf. These could supply adequate irrigation for an expanded farm industry if used economically. For the past 10 years the country has had a program in operation to irrigate additional lands, and this effort already has produced substantial results in flood control and expansion of cultivated areas.

Current unfavorable agricultural conditions in Iraq have been caused mainly by an upheaval in the traditional farming system. An agrarian reform program, designed to cut large land holdings into small farms for distribution to landless farmers, was instituted after the revolution. According to reports, this program has been slow in getting under way, and as a result, farm output has been reduced considerably.

Agricultural production is likely to remain low for a few years until the new farm program is established on a sound basis. During this time the country probably will be a net importer of wheat and rice, and may have to import barley when current stocks are exhausted. It will also need fats and oils and sugar to supply its domestic food deficiency.

The question is, Where will it buy the products it needs? Iraq, like a few other countries in the Middle East, is rich in oil, and the exchange earned from overseas oil sales enables the country to buy farm products wherever it chooses. Traditionally, practically all of Iraq's agricultural trade has been with the countries of the Free World. But after the revolution, Iraq adopted measures to expand trade with the Communist Bloc countries. Imports from the Sino-Soviet Bloc increased from 2 percent of Iraq's total imports in 1958 to 4 percent in 1959. Since Communist trade usually has a political motive too, the Bloc countries can be expected to continue their vigorous efforts to penetrate the Iraqi market.

Besides grains, Iraq's major exports have traditionally been dates, wool and other livestock products, and licorice roots. The country is the world's largest producer and exporter of dates. In 1959, production was down an estimated 25 percent from 1958, and the quality of the product was also below average.

A comparison of a 10-month period (September through June) before and after the revolution shows some shifts in the pattern of Iraq's date trade. Red China's imports rose from almost nothing to nearly 44,000 tons. Other large increases were recorded by British Somaliland, India, the United Kingdom, and Syria. On the other hand, sharp declines were noted in imports by Japan, Jordan, and Sudan, which dropped from 4,000 tons to nothing. These countries, however, buy relatively minor amounts. U.S. purchases, too, were down—from more than 21,000 tons to slightly over 16,000.

The United States also buys casings, wool, licorice roots, and some hides and skins from Iraq. Imports of all but wool have increased since the revolution. The major U.S. purchase, however, is crude petroleum. In 1958, U.S. petroleum purchases totaled about \$20 million—equal to 3 percent of Iraq's petroleum sales.

Beet Sugar Output Up But Cane Still Leads

When the U.S. housewife tucks a bag of sugar into her grocery cart, she doesn't look to see if she's buying cane or beet sugar—and she probably doesn't care, since they are identical in appearance, chemical composition, and sweetening ability.

Beet versus cane consumption in the United States, as well as the rest of the world, is largely a matter of geography rather than personal preference. Sugar beets are grown in the Northern Hemisphere—in the United States mostly north of the 35th parallel, and in Europe mainly north of the 40th. Sugarcane, on the other hand, must be grown in relatively frost-free locations, and so production is concentrated primarily in the warm belt between 30° north and 30° south of the Equator.

The world on the whole produces more cane than beet sugar, but beet output has been gaining in the last decade—climbing from 39 percent of total centrifugal¹ sugar production in the 1950-54 period to 43 percent last year. Whether it continues to gain will depend on several interlocking factors.

Beet sugar is produced mainly in industrialized countries where consumption levels are already high and further increases will depend mostly on economic growth. Too, in most of these countries population is not expanding markedly. In addition, sugar beets compete for relatively limited arable agricultural land.

Conversely, cane sugar producing areas have lower per capita consumption levels, faster growing populations, and larger areas of land suitable for sugar production. However, since most exports are raw cane sugar, it is more sensitive to world price fluctuations than beet sugar, which is generally marketed domestically under protective pricing systems. Therefore, a period of depressed world sugar prices would probably have less impact on the sugar beet industry.

¹The name centrifugal comes from the centrifuges used to remove most of the molasses. About 86 percent of the world's sugar is centrifugal.

Thailand Still a Growing Market For High-Quality U.S. Tobacco



Photos by Bhornchai Kuntalai

Above, this sidewalk tobacco stand in Bangkok is a fairly typical retail outlet. Left, Thailand's tobacco industry uses all the modern advertising methods, not forgetting the persuasive power of TV, to sell its products.

**By Hugh C. Kiger
Tobacco Division
Foreign Agricultural Service**

When I visited Thailand in 1956, the Tobacco Monopoly was operating with inadequate buildings and equipment and was doing only a negligible amount of advertising and promotion. The research department, poorly housed and equipped, had a limited staff. Still, it appeared to me that Thailand offered an opportunity to expand the market for U.S. tobacco.

Last fall I found things very different. The Monopoly had completed a new, modern office building, and construction was beginning on a new cigarette factory, which is to be equipped with the latest cigarette-making and packaging facilities. A vigorous advertising campaign was promoting the sale of Monopoly products. The research department was now housed in a new building with modern equipment, and had a well-trained staff. And the Monopoly's consumption of U.S. tobacco was steadily increasing.

Exports of U.S. tobacco to Thailand rose from 8.8 million pounds in

1956 to about 11.8 million in 1959. Thailand is in excellent financial condition, and most of its purchases of U.S. tobacco have been for dollars. In 1958 and 1959, these purchases represented over 99 percent of Thailand's total tobacco imports. Most of the imported leaf is blended with local tobaccos to produce American-type cigarettes, which are the kind that Thai smokers prefer.

Thailand supplies over half its own tobacco requirements. However, because of soil and climatic limitations, it cannot produce all the high-quality cigarette tobacco it needs. The Monopoly has an extensive program of research on improving the quality of locally produced leaf, but results up to now have not been satisfactory.

To make sure of pleasing the customer, the Monopoly conducts research also on improving the storage, blending, processing, and manufacture of tobacco products. Many members of its research staff have received training in the United States during the past 4 or 5 years under the provisions of a cooperative market development program for tobacco.

The Monopoly's advertising campaign to promote the sales of cigarettes containing U.S. leaf has had impressive results. This campaign, conducted in cooperation with USDA and the U.S. tobacco trade, uses all types of media, including television, radio, and newspapers: its advertising techniques are similar to those of U.S. cigarette firms. The promotion program, which is concentrated on two American-type brands, has rapidly expanded their sales. For "Samit," sales jumped from 20 million cigarettes in 1957 to about 62 million in 1959. For "Gold City," the increase was even more sudden—from 32 million to 188 million. Now, still another American-type cigarette, "Gold City 85," has been put on the market in Thailand. This brand, which is king size, uses primarily U.S. leaf.

Thailand is one of our best markets in the Far East—and it is a dollar market. If we continue to produce quality tobacco and to cooperate with the Thai industry and its promotional program, we can even look forward to increased tobacco exports to Thailand in the period ahead.



Modern village bazaar in India's Punjab. Right, farmer, with his own land to till, leaves cooperative with grain seed he has just bought.



Land Tenure in Asia. II.

Here Dr. Parsons continues his review of the land tenure problem of Asia and cites the challenge that must be met from the nearby Communist countries.

By Kenneth H. Parsons
Agricultural Economics
University of Wisconsin

In considering the land reform programs in Western Asia—last month the Far Eastern countries were discussed—it is imperative to start with Egypt. Though Egypt geographically is not a part of Asia, traditionally and culturally it is allied to the Middle East countries whose land is situated on the Asian Continent. Furthermore, being a large and agriculturally rich country, it has moved ahead faster than the others.

In Egypt changes in land tenure were given top priority by the Revolution's leaders. From the estates of the former royal family and the areas held by large landlords which exceeded the basic allotment of 200 retainable acres, the Government of Egypt took title to about three-quarters of a million acres—about 8–9 percent of the cultivated land of Egypt. Approximately one-third of these lands were confiscated from the royalty, and two-thirds were forcibly purchased from other large landlords, with payment at 70 times the annual tax, mostly in bonds.

The land has now been allotted to cultivators under terms requiring

the membership in comprehensive village cooperatives. On the approximately 80 percent of acquired land which lies in large contiguous areas, a cooperative village economy of agriculture has been established, and these cooperative ventures have proved at least as productive as the plantation-type operations which they replaced.

The cooperative farms rest upon a three-field type of cultivation, with each owner-cultivator having a parcel of 1 to $1\frac{2}{3}$ acres in each of three fields. The peasant is responsible for, and owns, the crop grown on his land, but some of the tillage decisions and many of the critical management ones on what to plant, fertilize, and such are made by the village manager and the elected council member. So far, the managing directors of these cooperatives have been appointed; and the whole area under the land reform administration has been operating as a virtual enclave, with a reasonably adequate supply of machinery, credit, improved seeds, and fertilizer.

Current thought and planning in Egypt are now concentrating on two problems, principally (a) the release of the village cooperatives from central direction; and (b) the question

of whether it is possible to organize the typical privately owned villages into cooperative farming arrangements by voluntary means. The latter requires a pooling of land sufficient to permit the growing of crops in the three-field pattern. One such experiment has been carried out with good results at a village called Nawag. The inducements were the economic advantages of cooperative and advisory services combined with the technical advantages of concentrating the crops into large fields—especially cotton for pest control, and rice for water control.

Outside the areas under administrative direction of the agrarian reform administration—and 90 percent is not under this jurisdiction—reform of land tenure relations is limited to the regulation of rents. The ceiling on cash rents is fixed at seven times the annual tax, which is fixed periodically by an assessment procedure. Currently, taxes run at approximately \$8 per acre per year; thus the annual rent would be \$56 per acre.

It is commonly reported in Egypt that the rent regulation program has been widely effective, having reduced rents by about one-third. It has been successful primarily because, first

the annual tax assessed is widely known for individual tracts of land; and, second, a series of decrees have been issued which have guaranteed the tenants the right of continued occupancy of the land tilled.

Syria and Iraq. Since the formation of the United Arab Republic a modified version of the Egyptian reform law has been promulgated in Syria. So far the principal feature of this law has been the acquisition of "excess" acreages from large land holdings and their redistribution to cultivators. There are notable differences in the terms in the two regions. For example, in the Syrian region cultivators may receive allotments of as much as 20 acres of irrigated land, but in the Egyptian wing no more than 5 acres. About one-fourth of the cultivated land in Syria is subject to redistribution under this law.

By July 1, 1959, the Government of Iraq was reported to have taken title to about 51½ million acres of land held or claimed by private persons before the Revolution. The former owners were permitted to retain 620 acres of irrigated land (1,000 donums) or 1,240 acres of dry farming land. The tenure policy of the Kassem government is therefore sharply at variance with that of the preceding government. Although the royal government had an active land reclamation and settlement program, efforts were concentrated upon the publicly owned—and less valuable—lands. Incidentally, in the summer of 1959, Iraq was receiving technical assistance in land reform from Russia.

Iran. The current land reform in Iran was begun by the decision of the Shah to distribute to the cultivators the lands which he held personally. This program was launched with an imperial order in February 1951. The plan specified that these lands should be sold to the cultivators on 25-year purchase contracts, with the proceeds forming the capital for an agricultural development bank.

In 1951 the Shah of Iran owned in whole or in part some 2,000 villages, as well as large areas of grazing land, equivalent to some 8 percent of the cultivated land of Iran. During the past 9 years, approximate-

ly 300,000 acres of land in about 180 villages have been distributed to some 22,000 cultivators. In 1955, a decree was issued for a similar distribution of the Public Domain lands, also embracing over 2,000 villages.

The administration of such programs would be complex under any circumstances. In Iran a whole new administrative organization was needed, and this reorganization still remains in an experimental stage. It has been necessary to develop a more adequate system of credit, marketing, and advisory services. No major attempt has been made to organize the distributed villages into comprehensive farming cooperatives such as those in Egypt. While Iran's land distribution programs have proceeded at a relatively slow pace, serious efforts are being made by a small corps of devoted civil servants to devise ways of moving ahead at a faster rate.

More recently the Government of Iran has introduced in the Majlis (Parliament) a comprehensive land reform bill to be applied to all privately owned large estates. This bill, if enacted into law, would require that all nonmechanized estates of more than 200 hectares (494 acres) of irrigated land or 600 hectares of dry-farmed land will be acquired by the government for distribution to cultivators. The proposed law would permit landholders to keep 40 percent of their present holdings provided they distributed 60 percent of their lands to the cultivators. (It is not possible at this time to adequately interpret this proposal.)

Iran is at the stage of economic development where the remnants of the migratory grazing economies of the tribes are becoming outdated. Too much of the land is now under crops to permit roaming flocks and herds. In the mountain valleys where lift irrigation is possible from wells 35-40 feet deep, a rapid expansion of irrigated farming is occurring and, with this expansion, a necessary settlement of the tribes. Lift irrigation is developing rapidly near Shiraz, for example. These developments as well as the large hydroelectric and irrigation projects will bring major changes in tenure and land use in Iran.



Top, Iranian villagers await turn to receive land from the Shah. Middle, lucky winner in farm drawing in Iraq. Below, Indian farmer smiles at money he received for his first crop of cotton.

Pakistan. Pakistan is now moving positively towards reform in land tenure arrangements. Among the first acts of the present government was the appointment of the Land Reforms Commission for West Pakistan. The proposals of this commission have now been put into effect; the key provision is that no person will, in future, own more than 500 acres of irrigated land or 1,000 of unirrigated.

The government has acquired 2.3 million acres by the imposition of these ceilings, with compensation calculated on the basis of a graduated scale and payable in 25-year 4-percent taxable bonds. The land is being evaluated in terms of produce index units per acre; for good land this gives a maximum price of about \$70 per acre. The land so resumed will be sold to the tenants, preferably, in ways which are intended to enable cultivators to acquire or enlarge their holdings up to the size of an economic holding. This program is being rapidly implemented. On the lands retainable by the present owners within the prescribed ceiling limits, the existing tenants will enjoy security of tenure, though the law has not scaled down rent levels.

In East Pakistan the elimination of the intermediate zamindari (landlord) interests is now proceeding apace after a decade of litigation and delay. In this procedure the cultivators become tenants of the state directly, thus making it possible to give sanction to occupancy rights which approach the security of fee-simple ownership.

India. India has been discussing and acting on land tenure problems for many years in line with the protection given property interests by the Constitution. However, intermediary interests in land have been virtually eliminated. A landmark in this campaign of abolition was the judicial sanction in 1952 of the principle proposed by Uttar Pradesh of graduated payments (inversely to size of holding) of compensation to the holders of zamindari interests.

In recent years land reform programs and proposals have centered on two principal issues: Ceilings on private ownership of land and the betterment of the condition of tenants.

Ceilings on future holdings have been imposed in 10 States. For seven, the ceilings are in terms of specific acreages; for three in terms of 3 to 4½ times a representative family or economic unit. Although there are exceptions for the poorer areas, the general range of future ceilings is from 12½ to 50 acres on holdings.

Maximum rent laws providing that rents should not exceed one-fourth to one-sixth of the crop have been enacted in a majority of the States, as have laws limiting the right of ejectment of tenants.

In the meantime, India's population grows in number and the food and agriculture problem remains acute. The pressures and necessities of these predicaments are now leading to an unprecedented emphasis upon the possibilities of rural cooperatives, including a version of cooperative farming. Such arrangements would include the pooling of both land and management at the village level, with ownership of land remaining with the cultivator-owner.

Resume. This sketchy review of recent land tenure programs in Asia may suggest something of the stirrings among the peoples over the ownership and use of land. Only a few of the changes now stand clearly as landmarks of achievement. In Japan and Formosa the transformations in tenure relations have been very great—one may say, almost complete. In the Middle East, the land reform achievements in Egypt are likewise distinguished.

Characteristically in non-Communist Asia, struggles continue over land tenure issues without clear-cut and decisive outcomes. There are exceptions, especially where foreign landlords have departed, leaving well-developed lands to be occupied by native cultivators, as in Indonesia, Korea, and Vietnam. In a number of countries major changes in tenure have occurred only after governments dominated by landlords and other notables have been replaced by a military group; i.e., in the U.A.R., in Pakistan, and Iraq the political power of landowners has been broken in this manner. The outcome of the recently proposed land reform law in Iran will indicate

whether the landlords in the Parliament of that country can inflict upon themselves any such voluntary redistribution of property.

Freedom of Individual. The implicit principle running through virtually all the non-Communist land tenure reform programs in Asia is that rights in the use and occupancy of land shall implement the freedom of the individual, but that individuals shall not be allowed to own sufficient land to give landowners extensive economic and political power.

Furthermore, the struggles over land tenure in Asia are manifestations of societies attempting to free themselves sufficiently from the patterns and shackles of the past so that economic development can occur. Nowhere, to our knowledge, have land reform programs in Free Asia adversely affected production. (The outcome in Syria and Iraq is not yet clearly indicated.) Although need for foreign exchange to implement development programs leads national programing toward the production of export crops, the internal effects of development, as well as any easing of rental terms upon the cultivators, may be expected to increase the demands for food. Considering the prospects for population growth in Asia, it is likely that this vast area will long need food from the West.

The revolutions of Asia now center upon the issues of the form of the prospective economies. Later the struggles will settle down to the more humdrum tasks of making the systems function. So far, there are good reasons for the belief that the independent cultivator, secure in his own holding and served with adequate public and cooperative services, can serve the needs of the nations.

At the same time, the gradualistic, Western-inspired approach to transforming old societies must meet the challenge of the Communist system. Should the agricultural programs of China fail, the current approach to land reform and development in Free Asia may carry forward for decades. But if Red China's programs are even moderately successful, this will give real support to industrialization and the impact in Asia will be terrific.



Angola: Land of Coffee

By Robert C. Moncure
African and Middle East Analysis Branch
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Two months ago when the New York Coffee and Sugar Exchange opened trading to Robusta coffee futures for the first time, the Portuguese Province of Angola was highlighted in the business news of the day: Angola's standard grade was designated as the basic grade for Robusta coffees, just as Brazil's Santos was established as the basic grade for that country's Arabica coffees.

Angola, like some of the other African countries, has become a "land of coffee." And how it happened is one of the success stories of the post-war years. Robusta coffee is indigenous to this part of the world and for many years has been important in Angola's export trade. The real boom came with the advent of soluble coffee. The Robusta coffees lend themselves well to the manufacture of instant coffees, also they are less expensive; so as more and more coffee drinkers, particularly in the United States, turned to soluble coffee the African countries found their exports mounting.

Today coffee is Angola's biggest moneymaker, accounting in 1958 for around 45 percent of the Province's

export trade and bringing in well over \$50 million. Moreover, Angola generally ranks second—Ivory Coast is first—among the African exporters.

Angola's 1959-60 crop has been estimated at 1.5 million bags (132.2 lbs.) compared with an average of a million bags in the period 1950-54. Most of this production is of higher-quality Robusta types, which usually command a premium price on world markets. All exports are carefully processed, graded, and exported under the control of the Province's Coffee Board; and only the two top grades are sold direct to the United States, which is now buying from 50 to 60 percent of Angola's coffee exports. The Coffee Board also operates coffee experimental stations, carries on extension work, and maintains export warehouses and inspection facilities in Luanda, the principal export port. Currently, the Board is encouraging the expansion of Arabica production, now only about 1 percent of the coffee total. Emphasis is on the Caturra type.

Important as coffee is to this Portuguese Province—which is about twice the size of Texas—its economy

is far from being that of a single crop. Diamonds and fish meal are leading exports, and so are corn and sisal. In fact, before Angola's coffee was in such demand and production had reached such a high level, corn was the second largest export.

At the present time, Angola's corn exports vary widely from year to year—31,000 metric tons in 1957 to 168,000 in 1958—and there is good potential for expansion. Much of Angola occupies a broad, rolling plateau, from 2,500 to 6,000 feet in elevation. Also, less than 2 percent of the land is utilized for field and tree crops in any one year. By using synthetic varieties, more fertilizer, and improved production techniques, corn output could be increased considerably. Efforts to do this are now being made by the Government Cereal Board, which owns and operates at the port of Lobito the largest and most modern grain elevator in Africa. West Germany, Egypt, and the Benelux countries are usually Angola's best customers.

While Angola has no export subsidies, its government fixes the purchase price for most commercial export crops, supervises or controls marketing, grading, and storage, issues the required export licenses, and collects export taxes—though these may be suspended in an unfavorable situation. Part of the funds collected as export taxes are allocated to the various commodity boards and buying organizations for technical aid to producers, research, and extension work. Most of Angola's foreign exchange earnings are retained in Lisbon in common reserves; and although the Province receives from Portugal substantial allotments for long-term development, little of this is earmarked for agriculture, except for agricultural settlements and the new irrigation-power projects.

In trade, Angola usually has a substantial favorable balance, although in both 1957 and 1958 it had moderate adverse balances. Portugal usually supplies about 45 percent of Angola's imports. The United States, with 12 to 14 percent, is usually second, and either West Germany or the United Kingdom, third.

Most of Angola's purchases in the

United States are nonagricultural, except for wheat flour. Normally the United States is Angola's principal wheat flour supplier. But on the completion of a new flour mill at Luanda and the installation of equipment for direct unloading of wheat from ships, Angola is expected to switch from flour to wheat imports.

In Angola's export trade, the United States is the principal buyer; it takes 25 percent of the Province's exports. Portugal is second, and the United Kingdom, third. Most of the United States' purchases are coffee.

Free World Pools Resources (Continued from page 13)

—IDA membership will include the entire free world except for eight countries.¹ Soviet Bloc countries, since they do not belong to the World Bank, are not eligible.

IDA should prove a valuable addition to the organized effort to satisfy the needs and the striving of nations for a higher standard of living. It means the more active participation of the other industrialized nations in the financing of economic development. IDA will add \$1 billion to available development capital and, equally important, will bring sound, realistically planned projects to areas where they are most needed. Similarly, IDA will strengthen the resources for helping subsistence economies adjust to the strains and dislocations which have historically followed the advent of industrialization.

American agriculture's stake in the success of IDA is indirect and long-range, but nevertheless real. There are many countries which are too poor to buy our farm products unless special outside financing is provided; and there are others whose purchases are small merely because the commercial market actually embraces only a fraction of their population. Economic development raises living standards and widens markets. To the extent that IDA helps to bring this about, agricultural trade will benefit.

¹ Cambodia, Guinea, Laos, Liberia, New Zealand, Portugal, Switzerland, and Yemen are currently not members of the World Bank. Some are considering membership.

USSR Plans To Increase Sugar Output Despite Million-Ton Cuban Purchases

As part of a recent and much publicized agreement, Russia plans to buy a million tons of sugar annually from Cuba during the next 5 years. Cuba has been the major source of Soviet sugar imports since 1955, but under this agreement the yearly sugar shipments from Cuba will quadruple the yearly average for the past 5 years.

This agreement, already being implemented, has sharpened the interest of the international sugar market in the USSR's sugar production, consumption, and trade capabilities. According to Soviet statistics, output of sugar beets in the USSR rose from 18 million metric tons in 1940 to over 54 million in 1958 and, at the same time, granulated sugar production jumped from 2.2 million tons to 5.4 million. Drought in 1959 reduced the beet harvest to less than 44 million tons, but sugar output was well over 6 million tons—a record. Unusually heavy carryover from 1958, higher-than-normal sugar content of 1959 beets, and expansion in 1959 of processing facilities accounted for the rise.

To date, there is little evidence that the Soviets intend to cut production to compensate for the increased imports from Cuba. On the contrary, the dominant theme of their sugar plans is expansion—of acreage, yields, and processing facilities. A total of 14 new sugar refineries is planned or under construction near the sources of sugar beets. The new refineries are being built mainly in an effort to help solve one of Russia's major problems—transportation. Also, some older plants are being modernized. Barring natural disasters, domestic sugar production should continue to rise and, with the heavier imports, will place Russia in a favorable position to both use and export more sugar in the coming 5 years.

The Soviet Government agreed to use at home the sugar it gets from Cuba, which appears reasonable in view of home needs. Although the Russians report that in the last 18 years per capita consumption increased 2.2 times for city families and 5.8

times for farm families, the impressiveness is knocked out of these statistics when the current average per capital consumption is shown. According to Soviet literature, the figure appears to be about half the U.S. average of 97 pounds. By 1965, however, the Russians hope to achieve a per person production goal of 97 pounds, which they claim will be sufficient to supply their total needs. With the increased purchases from Cuba and the realization of their own production goals, they should not have any difficulty reaching this level.

Of more significance to the world sugar trade is the distinct possibility that the Cuban sugar, in assisting Russia to achieve its consumption goals, will also enable it to release considerable quantities of Russian sugar for export. Russia is now a net importer of sugar, but in recent years has increased its exports, bringing it closer to a net export status.

Soviet sugar is generally sold to neighboring countries. In 1958, Finland took the largest quantity—42 percent of total sugar exports. Iran ranked second with 39 percent. Afghanistan bought 13 percent, and Red China, 4 percent. The remainder went to Outer Mongolia and Yemen. Partial statistics for 1959 do not show any radical changes in this export pattern.

For the period of the Cuban agreement, several additional underdeveloped countries will probably become markets, and Red China's purchases will most likely increase. Although Russia's export capability will no doubt be expanded, it is unlikely that it will export to markets in direct competition with Cuba. Rather than jeopardize its new political toehold in the West by antagonizing Cuba, the USSR is more apt to exploit its position by promoting the image of a desirable trading partner for other Latin American countries. Indeed, an old Russian proverb, "Make new friends, but do not neglect the old," might well be the slogan for the current venture in Cuban sugar.

Swathing spearmint in Yakima Valley, Washington. This State is Nation's top producer of both spearmint and peppermint, and its phenomenal crop yields have further enhanced the United States' position as the world's leading source of mint oils.



Washington's Yakima Valley Now Mint-Producing Capital of World

For many years the United States has ranked as the leading producer of the two mint oils, peppermint and spearmint. It still maintains this position, but the center of production has shifted from the Midwest States to the Far West. With this shift, yields have multiplied so greatly that Washington's Yakima Valley has now become the mint capital of the world and U.S. exports of these two oils have doubled in the last 10 years.

This sudden rise in the mint oils seems to defy the laws of supply and demand. In 1950 when the peppermint boom was just starting in Washington an agricultural bulletin warned against overenthusiasm, claiming that the demand was inelastic. A little bit of peppermint went a long way, it said, and besides peppermint's uses were somewhat limited. Yet a look at the figures shows how unpredictable markets can be.

In 1950 the United States was producing 1.9 million pounds of peppermint oil a year; by 1959 the figure had risen to 2.4 million pounds. In this same period exports mounted from 504,000 pounds to 932,000 pounds valued at over \$4 million. Exports of spearmint oil showed an even greater increase; in the 10 years they nearly tripled as output mounted.

Furthermore, few U.S. agricultural exports are so little affected by price fluctuations as the mint oils. The price of peppermint oil can double and people will still buy it. Currently the natural oil sells for \$4.00 to \$4.60 a pound, but over the years the price has ranged from 75 cents a pound to as high as \$25.00.

The reason for this stability of market is that in any product the cost of the mint oil used represents only a very small proportion of the total cost. For example, 1 ounce of peppermint oil will flavor several gallons of ice cream, and consequently, any increase or decrease in the price of mint oil has little effect on the amount demanded. This is true too of its other uses, i.e., in chewing gum, pharmaceuticals, toothpastes, mouth washes, confectionery, liqueurs.

Peppermint has been cultivated in the United States since 1816, when peppermint roots were imported into Wayne County, New York, from England. (Peppermint oil comes from the so-called black or English mint, *Mentha piperita* L., which is not to be confused with the native American mint that grows wild.) The industry flourished in New York State for about 20 years, and then it started moving westward, to northern Ohio,

southern Michigan, Indiana, and finally to Oregon and Washington. Peppermint is still grown in the Midwest States but by 1954 Washington had taken the lead. Spearmint, also brought from Europe, followed much the same path westward.

The secret of Washington's amazing rise in mint oil production is the phenomenal yields per acre, attributed to rich soil, sunshine, and sufficient water for irrigation. In 1958 when this State was producing 43 percent of U.S. peppermint oil and 60 percent of the spearmint, yields were averaging 87 pounds of oil per acre for peppermint and 96 pounds for spearmint.

About 40 percent of the U.S. mint oil output is sold abroad. Last year the biggest market for U.S. peppermint was the United Kingdom, followed by France and Canada. The United Kingdom also bought the most spearmint, with Holland and Canada next in order. There is some competition, principally from Japan and Argentina, which cultivate a different species of peppermint that yields a somewhat different type of oil. Before World War II, Russia was the second largest peppermint producer, but Soviet statistics are so clouded it is hard to tell whether or not the mint acreage has been converted into cornfields. From time to time, though, there are rumors that Russia is about to increase its peppermint production.

The Dutch Polders

(Continued from page 5)

until they rise above water level. Then boulder clay, which is resistant to scouring, is laid on thickly, above and below water level, and covered with willow mattresses. These in turn, are weighted with heavy stone, the only expensive material used, since it has to come from Belgium and Germany.

The Delta Plan. On the evening of January 31, 1953, a late radio bulletin warned: "During the night and tomorrow morning severe north-westerly gales in all of Zeeland."

A few hours later the alarm bells rang all over the province as a spring tide, accompanied by a mass of water driven by the gale out of the North Sea, surged into the narrow funnel between England and the low countries. Within a few hours the lashing waves reached the crests of the dikes, scouring away the soft soil on the inside of the dikes and inevitably breaching them in at least 600 places. On this ill-fated night about 2,000 people lost their lives; 15,000 barely escaped. The livestock—pride of the country—was decimated. Tens of thousands of cattle, pigs, and sheep fell a prey to the water. Of the many magnificent Zeeland horses but few remained. Scores of prosperous towns and villages and thousands of acres of fertile land disappeared below the swirling salt water of the sea. Mourning settled over Holland.

It was then that the Delta Plan, long studied, was given priority.

The work is under way today but it will not be completed for another decade or so. Although there is a complex of plans-within-plans in the overall Delta scheme, the major objective is the building of four dikes to close off the sea arms. The Schelde River channel will remain open, for it is Belgium's roadway to the sea, but the Dutch islands that form the Province of Zeeland will be joined at their outer extremities by sea dikes to form, eventually, a fresh-water lake. In the dikes will be sluices to let surplus water flow into the sea at low tide, and behind them will be secondary dikes and dams to control the flow and storage of water.

U.S. Beef Supply Down in 1959 Despite Larger Meat Imports

In 1959 for the second consecutive year, U.S. imports of meat set a record. Also, in 1959 for the first time in history, the United States imported more beef and veal from Australia than did the United Kingdom. But despite these increased imports the per capita beef and veal supply for consumption was 5 pounds smaller than it was 2 years ago: 87 pounds in 1959 and 93 pounds in 1957.

All together the United States purchased about 1.3 billion pounds (carcass weight) of meat products last year, equal to 4.8 percent of domestic production. These figures contrast sharply with 1957, when U.S. slaughter was near record and imports equaled only 2 percent of U.S. output.

The United States has long been the world's second largest meat importer—except for 1956, when Russia moved briefly into second place—exceeded only by the United Kingdom. Although it buys all types of meat from abroad, practically all of last year's rise was in imports of frozen processing beef to satisfy strong de-

mand from U.S. consumers with money to buy at good prices more of this type of beef than was available in the U.S. market. Home supplies had declined because larger numbers of older cows were being held on farms for breeding, thus reducing slaughter of animals producing lower grades of beef.

Almost a third of last year's beef and veal came from Australia, and New Zealand supplied over 20 percent. Both could ship meat in quantity to the United States since they had modified their long-time meat agreements with the United Kingdom, and were no longer obligated to send most of their beef to that market.

Other leading suppliers of beef and veal to the United States were Argentina, 18 percent; Mexico, 7; Ireland, 6; Brazil, 5; and Canada, 3.

U.S. imports of beef and veal during 1960 will probably be below those of 1959, but still above 1956 or 1957. Domestic meat production may increase moderately, but marketings of cows are expected to remain relatively small and demand for processing beef will continue strong.

Other big exporters will have less beef to ship this year. Smaller output is forecast for Australia, where slaughter was unusually large during the past 2 years and conditions now favor an increase in cattle numbers on farms. Argentina, too, is trying to build up numbers of animals on farms, and its production will likely continue relatively small. In New Zealand, beef output is estimated at well below the average of the past 5 years. Prospects in Canada, however, favor larger shipments of both beef and cattle to the United States this year.

U.S. IMPORTS AS A PERCENT OF U.S. OUTPUT

Year	Beef & veal Percent	Pork Percent	Lamb ¹ Percent	Total Percent
1956.....	1.5	1.3	0.1	1.5
1957.....	2.5	1.4	.3	2.0
1958.....	6.3	1.8	1.1	4.4
1959.....	7.2	1.5	1.4	4.8

¹ Lamb imports as a percentage of estimated lamb and yearling production.

The driving motive behind the Delta Plan is the protection of human life, but when completed it will shorten the "salt" coastline of the Netherlands by hundreds of miles. In 1840 this coastline was 12,350 miles long; by 1930 it had been reduced to 1,030 miles, and the closing of the Zuiderzee brought it down to 840 miles. Ultimately, the "salt" coastline will measure no more than 300 miles.

The Dutch people are looking contemplatively at another and perhaps the last offensive against the sea. Along the north coast of the Netherlands lies a string of islands and between the islands and the mainland lies the Waddenzee, shallow but a real roughneck in a storm. This project is probably a long way off. In the meantime, behind the Netherlands' sea wall poldering work will continue, adding more and more acres to the country's rich farmlands.



Colombian Coffee Industry To Be Aided by Federation

The Coffee Federation of Colombia, the world's second largest producer and exporter and most important supplier of the so-called milds, is starting a credit program for coffee growers. The Federation hopes to make the equivalent of \$1.4 million available in 1960 to improve coffee output.

The program's primary aim is to reduce the area now planted to coffee and increase production efficiency by converting present shade plantations to sun-grown plantations. Also, efforts will be made to improve buildings on coffee farms.

At present about 80 percent of Colombia's exports are coffee. In 1958-59, the United States bought 634 million pounds valued at \$300 million.

Indonesian Government To Control Kapok Exports

The Indonesian Government is buying all shares held by individuals in the country's largest kapok exporting corporation. In recent years, production of kapok on privately owned estates has been between 70 million and 80 million pounds annually, of which about 10 percent has been exported as raw fiber. The United States is Indonesia's best kapok customer. It bought 3.1 million pounds, valued at more than \$481,000, in 1959. Australia, West Germany, Belgium, and Italy are also important purchasers.

Indonesia is the second largest source of U.S. kapok imports, exceeded only by Thailand, from which the United States bought over 11.8 million pounds in 1959. Foam rubber has replaced kapok to some extent, but it is still an important component in many products. In recent years trade has been relatively stable, expanding slightly from year to year.

U.S. Ups Imports Of Icelandic Lamb

The United States has replaced the United Kingdom as the principal market for Iceland's lamb and mutton exports. In 1959, U.S. purchases totaled 2.6 million pounds—more than double the 1.1 million bought in 1958. The gain was attributed to relatively high prices paid by U.S. importers and the need for dollars in Iceland.

Nigerian Peanuts Exports May Decline This Year

Nigeria will probably export fewer peanuts this year. The 1959-60 commercial peanut crop—estimated at 450,000 long tons (shelled basis)—is about 15 percent below that of 1958-59. Also stocks at the beginning of the current year (October 1) are down about 140,000 tons from last season.

Nigeria sells peanuts and oil to the United Kingdom and other Western European countries. These countries are also markets for United States cottonseed and soybean oils.

U.S. Sending More Tallow to Spain

U.S. tallow sales to Spain have surged upward since licensing was resumed last July. Total 1959 exports reached 10 million pounds, of which 9 million were shipped in September-December. This was in sharp contrast to the 1958 total of 1.4 million pounds.

Import licenses have been issued by Spain for about 40 million pounds of tallow. The United States probably will account for about 24.4 million pounds. Sources of the rest will probably be France, which could supply about 4.7 million pounds. West Germany and the Netherlands, 3.9 million each, and Belgium, 2.8 million.

Australia Removes Ban On Imports of Hops

Recently Australia removed all licensing restrictions from hops imports. Buyers can now use any source.

Total 1960 import requirements are estimated at a million pounds, and U.S. exporters may be able to regain a share of this market if U.S. prices are competitive. No U.S. hops have been exported to Australia since the 1955-56 season, but in the 5-year period following World War II the United States shipped more than 650,000 pounds of hops to Australia annually. Recent import needs have been met mainly by the British.

France Claims U.S. Meat Is Incorrectly Marked

On January 1 of this year, France removed its restrictions on U.S. variety meats and made available to all traders certificate forms and labeling instructions. Since then, France has reported that some shipments of U.S. variety meats have been improperly marked and have not been accompanied by proper certificates. The main complaint against U.S. shipments is that the letters "USA" are marked in ink that can easily be rubbed off instead of embossed as the French regulations require. If ignored, the complaints could jeopardize future U.S. sales to France.

Colombia's Farm Bank To Import Supplies

The Caja Agraria, major financial institution for aiding agricultural development in Colombia, plans to import large quantities of agricultural supplies including seeds, fertilizers, insecticides, machinery, and other requisites. Some of these will undoubtedly come from the United States. They will be sold directly to Colombian farmers at reasonable prices by the Bank's agricultural supply stores located throughout the country.

The Bank is rapidly expanding its highly diversified program to increase farm output. Its projects include seed development, livestock production, supervised farm credit, colonizing, parceling, farm housing, and irrigation.

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Argentina Helps Sugar Exporters

Argentina's Government will give financial aid to the country's sugar industry, now suffering from surpluses, increased production costs, and weak market prices. It will lend money to exporters to enable them to spread over a 5-year term their anticipated losses on proposed exports up to 275,000 short tons of sugar from present stocks. The loans must be repaid, and the industry must absorb the loss, which the industry asserts could run as high as \$5.46 a ton.

Other government help will be in the form of a special credit equal to \$1.09 per ton of cane, to aid the crop of the current season.

U.S. Companies Buy More Foreign Tobacco

United States firms bought a record 151.7 million pounds of tobacco (for consumption) in 1959—10 percent more than in 1958 and 49 percent more than the 1950-54 average. A large share of 1959 imports was oriental leaf for blending with domestic tobaccos in cigarettes. Greece and Turkey supplied 90 percent and Yugo-

slavia and Italy most of the rest. About 38 million pounds of cigar tobacco—mainly filler and scrap—was also bought abroad, primarily from Cuba and the Philippines.

Durban Will Become Fruit Export Port

Durban, on the east coast of Africa, is expected to become an important fruit-shipping port with the completion of a new precooling plant now under construction. The plant will be completed in time to handle fruit—mainly citrus—from the 1960-61 crop. Formerly, virtually all fruit exported from the Union of South Africa was shipped from Capetown. Growers in the Eastern Transvaal and Natal will welcome the new port, since it will eliminate the long rail haul to Capetown.

Futures Market Established For African Robusta Coffee

In recent years, U.S. imports of Robusta coffee have risen markedly—so much so that a futures contract for this type has been adopted by the New York Coffee and Sugar Exchange. Angola's standard grade will

be used as the basis for figuring the premiums or discounts for the "R" (Robusta) contract covering deliveries beginning in May of this year.

Robusta coffee is used mainly in instant coffees and most of it comes from Africa, with small quantities originating in Indonesia and India. The "R" contract will cover deliveries of coffee from Angola, Belgian Congo, Malgache Republic, Uganda, and the Ivory Coast. U.S. imports of Robusta coffee have soared from 630,000 bags (132.27 pounds) in 1951 to 1.8 million bags in 1958.

Colombia To Purchase U.S. Breeding Sheep

Colombia will buy 900 head of U.S. breeding sheep this spring as part of a program to develop the country's sheep and wool industry. A three-member purchasing team will spend 2 to 3 weeks buying Romney Marsh, Rambouillet Type C, Corriedale, Suffolk, and Hampshire breeds. The Colombian team will be accompanied by a representative from a U.S. sheep breeding association. These will be Colombia's first purchases of sheep since the ban on breeding animal imports was removed last year.